THE CLAIMS

This listing of claims will replace all prior versions, and listings, of claims in the application:

Listing of claims:

1 - 14. (cancelled)

15. (currently amended) A financial method for replicating the performance of a combination of financial instruments as a single regulated security comprising:

determining a price of an underlying security, said underlying security comprising one or more preferred or common stocks;

structuring an exchange traded exchangeable security with an minimum holding period exchange date and an exchange maturity date, wherein said exchangeable security can be exchanged, at the option of the holder, for a predetermined specific number of shares of the underlying security at a time beginning or later than the minimum holding period and ending at the predetermined exchange maturity date, said exchangeable security linked to a pre-determined linked payment paid to the holder of said exchangeable security at said maturity date if said exchangeable security is tendered for said underlying security at a time on or after said minimum holding period through said maturity date;

determining a said payment amount linked to an said exchangeable security that is structured for trading on a securities exchange;

setting an offering price at a first time for offering at a first time and at the determined price of the underlying security, the exchangeable security with the linked payment amount, wherein the offering price is the determined price of the underlying security;

2

issuing said exchangeable security;

determining at a second time if the time exceeds the minimum holding period and exchanging ~~at a second time a share of~~ the underlying security for ~~a share of~~ the exchangeable security; and

determining if the second time is at or after said maturity date, and crediting ~~delivering at the second time~~ the linked payment amount~~, wherein the second time is after the first time~~.

16.   (original) A method according to claim 15, wherein the price of the underlying security is a market price of a share of the underlying security.

17.   (original) A method according to claim 15, wherein the price of the underlying security is a closing price of a share of the underlying security.

18.   (withdrawn) A method according to claim 15, wherein the underlying security is a basket of securities and exchanging a share of the underlying security for a share of the exchangeable security at the second time further comprises exchanging the basket of securities for a share of the exchangeable security.

19.   (original) A method according to claim 15, wherein the second time is a defined period after the first time, the defined period selected from the group including one month, one quarter, semi-annual, single year and multiple years.

20. (original) A method according to claim 15, wherein the second time is two years after the first time.

21. (original) A method according to claim 15, wherein exchanging the underlying security for the exchangeable security further comprises:

receiving a share of the exchangeable security; and

delivering a share of the underlying security.

22. (original) A method according to claim 15, wherein exchanging the underlying security for the exchangeable security further comprises:

receiving a share of the exchangeable security; and

delivering an amount representing the value of a share of the underlying security at the second time.

23. (cancelled)

24. (withdrawn) A method for offering and exchanging an exchangeable security that is structured for trading on a securities exchange, the method comprising:

determining a market price of a basket of underlying securities;

determining a payment amount to be linked to the exchangeable security;

offering at the determined market price of the basket of underlying securities, the exchangeable security with the linked payment amount;

receiving the exchangeable security no earlier than a maturity date of the exchangeable

security;

providing the basket of underlying securities in return for the exchangeable security; and

providing the linked payment amount no earlier than the maturity date.

25.   (currently amended) A financial method for replicating the performance of a

combination of financial instruments as a single regulated security comprising:

determining a price of an underlying security, said underlying security comprising one or

more preferred or common stocks;

structuring an exchange traded exchangeable security with an minimum holding period

exchange date and an exchange maturity date, wherein said exchangeable security can be

exchanged, at the option of the holder, for a predetermined specific number of shares of the

underlying security at a time beginning or later than the minimum holding period and ending at

the predetermined exchange maturity date, said exchangeable security linked to a pre-determined

linked payment paid to the holder of said exchangeable security at said maturity date if said

exchangeable security is tendered for said underlying security at a time on or after said minimum

holding period through said maturity date;

determining a said linked payment amount linked to said exchangeable security;

setting an offering price at a first time for the offering at a first time and at the determined

price of the underlying security, an exchangeable security with the linked payment amount,

wherein the offering price is the determined price of the underlying security the exchangeable

security structured for trading on a securities exchange;

issuing said exchangeable security;

prior to a the exchange maturity date ~~of the exchangeable security~~, exchanging a full share of the underlying security for a share of the exchangeable security; and

prior to the exchange maturity date, declining payment of the linked payment amount.

26.   (original) A method according to claim 25, wherein the price of the underlying security is a market price of a share of the underlying security.

27.   (original) A method according to claim 25, wherein the price of the underlying security is a closing price of a share of the underlying security.

28.   (withdrawn) A method according to claim 25, wherein the underlying security is a basket of securities and exchanging a full share of the underlying security for a share of the exchangeable security further comprises exchanging the full basket of securities for a share of the exchangeable security.

29.   (original) A method according to claim 25, wherein the second time is a defined period after the first time, the defined period selected from the group including one month, one quarter, semi-annual, single year and multiple years.

30.   (original) A method according to claim 25, wherein the second time is two years after the first time.

31.   (original) A method according to claim 25, wherein exchanging a full share of the underlying security for the exchangeable security further comprises:

receiving a share of the exchangeable security; and

delivering a full share of the underlying security.

32.   (original) A method according to claim 25, wherein exchanging a full share of the underlying security for the exchangeable security further comprises:

receiving a share of the exchangeable security; and

delivering an amount representing the value of a full share of the underlying security at the second time.

33.   (withdrawn) A method for offering and exchanging an exchangeable security that is structured for trading on a securities exchange, the method comprising:

determining a market price of a basket of underlying securities;

determining a linked payment amount;

offering at a first time and at the determined market price of the basket of underlying securities, an exchangeable security with the linked payment amount;

prior to a maturity date of the exchangeable security, exchanging a basket of securities for a share of the exchangeable security; and

prior to the maturity date, declining payment of the linked payment amount.

34 - 41. (cancelled)

42.   (withdrawn) A method for offering and exchanging an exchangeable security that is structured for trading on a securities exchange, the method comprising:

determining a market price of a basket of underlying securities at a first time;

offering an exchangeable security at the determined market price of the basket of underlying securities;

determining a payment amount before offering the exchangeable security;

delivering the payment amount at maturity of the exchangeable security; and

exchanging the basket of underlying securities for a share of the exchangeable security at maturity, wherein maturity is after the first time.

43 - 50. (cancelled)

51.   (withdrawn) A method for offering and exchanging an exchangeable security that is structured for trading on a securities exchange, the method comprising:

determining a market price of a basket of underlying securities;

determining a linked payment amount;

issuing at a first time, an exchangeable security at the determined market price of the basket of underlying securities, the exchangeable security including an exchange right at maturity, where under the exchange right, a holder of the exchangeable security may exchange a share of the exchangeable security for a basket of shares of the underlying securities and receive the linked payment amount, maturity after the first time.

52.   (withdrawn) A method comprising offering a share of an exchangeable security with a linked payment amount for sale on a securities exchange, where an issue price of a share of the exchangeable security is determined at a time of issue of the exchangeable security as a price of a share of an underlying security, and the linked payment amount is determined before offering the exchangeable security.

53.   (withdrawn) A method comprising trading a share of an exchangeable security with a linked payment amount on a securities exchange, where an issue price of a share of the exchangeable security is determined at a time of issue of the exchangeable security as a price of a share of an underlying security, and the linked payment amount is determined before trading the exchangeable security.

54.   (withdrawn) A method comprising redeeming at a second time a share of an underlying security for a share of an exchangeable security and receiving a linked payment amount, where the exchangeable security is structured for trading on a securities exchange, the second time is after a first time, and an issue price of a share of the exchangeable security is determined at the first time as a price of a share of the underlying security, and the linked payment amount is determined before trading the exchangeable security.

55 - 56. (cancelled)